

THE EFFECTIVE DATE OF THIS ORDINANCE IS OCTOBER 15, 2002

ORDINANCE NO. 02-20-316

Re: Amending Sec. 1-13-35(g) of the Public Local Laws -
eliminating the requirement to pay a small portion of principal
payment in Installment Purchase Agreements for the
Preservation of Agricultural Land and
Purchase of Agricultural Land Preservation Easements

PREAMBLE

By Ordinance No. 02-01-297, the Board of County Commissioners of Frederick County adopted the Installment Purchase Program (IIP), which became new Section 1-13-35 of the Public Local Laws. The Ordinance became effective February 1, 2002.

Staff has recently recommended, and the Board agrees to amend Sec. 1-13-35(g) to eliminate the requirement to pay a small portion of principal payment along with the annual interest payment in the Installment Purchase Agreements. The County Finance Department and the County's financial advisor, Davenport and Associates, have stated that this section of the Ordinance as written creates difficulty in structuring the investment portfolio for servicing the payments to the property owners.

The Board of County Commissioners held a duly advertised public hearing on October 15, 2002 at which time the public was given the opportunity to comment.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE
BOARD OF COUNTY COMMISSIONERS OF FREDERICK COUNTY,

MARYLAND, that Section 1-13-35(g) of the Frederick County Code (1979) is hereby amended to read as follows:

(g) *METHOD OF PAYMENT.* The landowner and County shall enter into an Installment Purchase Agreement (I.P.A.). The agreement shall state the total amount of money that the County has agreed to pay the landowner and set the terms of the sale including the interest rate. The installment purchase agreement shall be for a term of not less than 10 nor more than 20 years with interest [and a small portion of the principal] being paid annually. At the end of the term the landowner will receive a lump sum payment constituting [the balance of] the principal. This agreement is exempt from the provisions of Sections 9, 10 and 11 of Article 31 of the Annotated Code of Maryland.

Although preference is given to installment purchase easement acquisitions, a landowner may request that development rights be purchased in lump sum. Upon a recommendation of the Advisory Board and the Frederick County Department of Finance[.]_ the Board of County Commissioners may approve a lump sum payment.

AND BE IT FURTHER ENACTED AND ORDAINED that this Ordinance shall take effect on October 15, 2002.

The undersigned hereby certifies that this Ordinance was approved and adopted on the 15th day of October, 2002.

ATTEST: BOARD OF COUNTY COMMISSIONERS
OF FREDERICK COUNTY, MARYLAND

/s/
Douglas D. Browning
Acting County Manager

/s/
David P. Gray, President

CAPITALS AND/OR UNDERLINING INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.